

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-02 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15 OES-07
SP-02 SS-15 STR-06 TRSE-00 ACDA-12 PA-02 PRS-01
/130 W

-----044395 190226Z /73

R 172247Z JAN 78

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 8824

UNCLAS GUATEMALA 0332

E.O. 11652: N/A

TAGS: ENRG, GT

SUBJ: PETROLEUM: NEW REGULATIONS, AREAS OPENED FOR BIDDING,
AND MODEL CONTRACT

1. UNDER DECREE NO. 96-75 THE GUATEMALAN GOVERNMENT UNDER-
TOOK TO ISSUE REGULATIONS GOVERNED BY THAT PETROLEUM DECREE
AS WELL AS TO PLACE AREAS UP FOR BIDS AND PROVIDE A MODEL CONTRACT
AS A BASIS FOR NEGOTIATIONS. THESE THREE FEATURES WERE
PUBLISHED IN THE "DIARIO DE CENTRO AMERICA/ OF JAN. 13, 1978.
THE REGULATIONS BECOME EFFECTIVE THREE DAYS AFTER PUBLICATION;
THE OTHER TWO BECAME EFFECTIVE UPON PUBLICATION.

2. THE REGULATIONS CONSIST OF 201 ARTICLES, SETTING FORTH
DEFINITIONS AND OBLIGATIONS OF THE GOVERNMENT AND CONTRACTOR
FOR THE EXPLORATION AND EXPLOITATION OF PETROLEUM IN
GUATEMALA.

3. SIX AREAS OF 200,000 HECTARES OR LESS ARE DELINEATED
FOR POTENTIAL BIDDERS. THE SIX AREAS HAVE BEEN SUBJECT OF
PAST REQUESTS BY CORPORATIONS INTERESTED IN EXPLORATION.
ALL ARE ON-SHORE WHOLLY OR PARTLY IN THE NORTHERN PROVINCE OF
PETEN. THREE BORDER ON MEXICO.

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4. THE MODEL CONTRACT CONTAINS MOST OF THE NORMAL CLAUSES
OF SUCH DOCUMENTS. THE MAJORITY OF NEGOTIATING ITEMS ARE
LEFT BLANK TO BE AGREED UPON BETWEEN THE CONTRACTOR AND
THE GOVERNMENT.

5. COMMENT: THE THREE ACTIONS SEEM TO PROVIDE THE NECESSARY

ELEMENTS TO LAUNCH THIS MONTH A BIDDING EXERCISE TO CONTRACT FOR PETROLEUM EXPLORATION IN GUATEMALA. THE SEDIMENTARY BASIN INVOLVED BMAY BE AN EXTENSION OF THE PROLIFIC SOURCE DISCOVERED IN MEXICO. SMALL RESERVES HAVE ALREADY BEEN DISCOVERED BY BASIC RESOURCES WITHIN THE SEDINMENTARY BASIN. ALTHOUGH THE REGULATIONS AND MODEL CONTRACT DO NOT OFFER ALL THE CHARACTERISTICS SOUGHT BY THE COMMERCIAL FIRMS CONSULTED, IT IS EXPECTED BY LOCAL OBSERVERS THAT SUFFICIENT INTEREST WILL BE SHOWN SO THAT CONTRACTS WILL BE DEVELOPED IN AT LEAST THREE OF THE SIX AREAS BEING OFFERED.

6. COPIES OF THE "DIARIO DE CENTRO AMERICA/ DATED JAN. 13, 1978, HAVE BEEN FORWARDED BY GUATEMALA A-007.
BOSTER

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: PETROLEUM, REGULATIONS, EXPLORATION, CONTRACTS
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Copy: SINGLE
Draft Date: 17 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
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Disposition Case Number: n/a
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Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
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From: GUATEMALA
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ISecure: 1
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Subject: PETROLEUM: NEW REGULATIONS, AREAS OPENED FOR BIDDING, AND MODEL CONTRACT
TAGS: ENRG, GT
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